

ENGEL & VÖLKERS expands its service portfolio with yachts

- **New business unit – expansion of the rapidly growing real estate group**
- **First office opened in London to be followed by offices in Hamburg, Monaco and on Mallorca**

Hamburg, 6th December 2007. The Engel & Völkers Group, one of the leading real estate brokers worldwide in the premium property sector, is taking a significant step in the direction of diversifying its activities. From now on Engel & Völkers will be acting as agents for yachts, so entering a rapidly growing sector of the international lifestyle market. A first office has already been opened in London. Other offices for the yachting division will follow shortly in Hamburg, Palma de Mallorca and in Monaco. Once the first offices have become established, the company plans to issue licences to yacht brokering agents in certain defined areas, following the model of the licensed partnership scheme that has already been successfully applied in the real estate market.

"Once again Engel & Völkers will be entering a service market where a high degree of specialisation and professionalism is called for. Just as in the old days, when Engel & Völkers was first founded, the brokering of properties in Germany was carried on for the most part from the drawing room table, and without much in the way of standardisation or professionalisation," says Christian Völkers, founder and Chairman of the Management Board of Engel & Völkers AG. The company plans to concentrate on the brokering and chartering of superyachts, and will also function as an independent consultant, as it already does in its brokering of premium properties.

Engel & Völkers is one of the first German real estate agents on the yachting market. By contrast with many of its competitors, the company now has a far-ranging network of shops and offices in 23 countries and on four continents; as a result it enjoys extensive customer contacts in the relevant target group. "We already know the customers or prospective customers who are likely to come into question, as purchasers or charterers of yachts – this as a result of their previously expressed interest in finding outstanding property in the best locations," says Völkers.

The market for sailing and motorised yachts has developed with great dynamism, especially in the last ten years. In earlier days yachts with a length of 20 metres and upward were the exclusive preserve of a small group of highly affluent people with a passionate interest in water sports. "Yachting has now grown to become an international trend," Völkers goes on. Whereas in the past boats were chiefly used for sailing, being for the most part equipped only with auxiliary engines, proper motorised yachts now account for 90 percent of the market overall. "Increasing numbers of wealthy people are wanting to get onto the water – more because they fancy the idea of a relaxed sail, though, than because they want to test themselves in tough sporting activities on the high seas."

The rapid growth of the yachting sector is reflected in the volume of orders for superyachts with a length of 24 metres and more. Last summer there were something like 800 of these

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that had either been ordered or were in the process of being built – 36 percent more than was the case three years ago. On the coast of the south of France, the year 2006 saw an overall sales revenue from the management, operation and provisioning of existing superyachts to the amount of around 1.1 billion euros; out of this, almost 400 million euros was due to brokering and management services. And the chartering market, for the hire of superyachts, is growing just as dynamically, or even more so. The accumulated profits from the chartering business have risen annually since 2001 by an average of eight percent. Profits from the chartering of superyachts worldwide came to around 1.4 billion euros in 2006.

The luxury market for yachts is booming. The number of individuals with assets amounting to more than 30 million euros has grown by almost 50 percent in the years 2004 to 2006, and is now over the 80,000 mark. The extensive private property of this class of persons includes something like 7,500 superyachts today. 75 percent of them come from Europe, followed by the United States of America. Further demand is generated by the rising level of affluence in an increasing number of countries – in recent years above all in Russia, Brazil, India and Korea.

"Our entry on the yachting market comes at the right moment. With our worldwide network and our high standards of professionalism, we should be able to establish ourselves very quickly," Völkers thinks. Ben Ridge is responsible for setting up Engel & Völkers Yachting in London. He has already spent six years in an executive role at Edmiston, one of the few companies engaged in the brokering and chartering of yachts that operate on a worldwide scale. Ridge aim to develop the new organisation at speed, and will make use of the Engel & Völkers training system to instruct new staff. In London Ridge is working hand in hand with another Engel & Völkers business unit, also just recently created, the 'Private Office'. This looks for quality property all over the world and brokers it to a highly affluent clientele.

If you have any questions, please contact:
ENGEL & VÖLKERS
Head of Global Corporate Communication
Bettina, Princess Wittgenstein
Stadthausbrücke 5
20355 Hamburg, GERMANY
Telephone: 0049 (0)40-36 13 11 20
Fax: 0049 (0)40-36 13 11 02
bettina.wittgenstein@engelvoelkers.com

german communications dbk AG
Chairman
Jörg Bretschneider
Alsterufer 34
20354 Hamburg, GERMANY
Telephone: 0049 (0)40-46 88 33 0
Fax: 0049 (0)40-47 81 80
presse@german-communications.com

The Engel & Völkers Group is one of the leading real estate companies that are active all over the world. The company concentrates on services relating to property transactions. Consultancy, leasing, sale and valuations for private or institutional customers are among its key skills. Engel & Völkers continues to grow on the basis of its successful licensed partnership scheme. Its success has been based on specialisation in sub-sectors of the market, as well as the top qualifications of all its partners and employees, as a result of which the highest standards of service are guaranteed. Its rapidly growing network consists of more than 300 shops in the premium domestic real estate sector and 27 commercial offices, which act as brokers for offices, retail and industrial premises, property investments, apartment blocks and office blocks, as well as managing real estate portfolios.

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